

**SECTION 5**  
**CHAPTER 1**  
**OFFICE OF INSPECTOR GENERAL AUDIT REPORTS**

**A PARTNERSHIP: THE OFFICE OF INSPECTOR GENERAL AND  
AND THE OFFICE OF FINANCIAL MANAGEMENT**

The Inspector General Act of 1978 established the OIG in federal departments and agencies. The objective of the Act was to create independent and objective offices to provide policy direction for conducting, supervising, and coordinating audits, investigations, and other activities to promote economy, efficiency, and effectiveness and to prevent and detect fraud, waste, abuse and mismanagement in programs and operations. The Department of the Interior OIG reports directly to the Secretary of the Interior and the Congress on problems and deficiencies relating to the administration of Departmental programs and operations identified during audits including making recommendations to correct deficiencies.

The Inspector General Act requires the OIG to report semiannually (no later than April 30 and October 31) to the Secretary and the Congress on significant problems, abuses, and deficiencies found in programs and operations during each reporting period. The reporting periods cover the periods from October 1 to March 31 and from April 1 to September 30. The Office of Financial Management (PFM) assists the OIG in the preparation of its semi-annual reports by providing updated information on the status of audits that the OIG has referred to PFM for resolution and/or tracking.

The OIG and PFM work cooperatively throughout the year to resolve, track, and monitor the impact of audit recommendations on the programs and operations of the Department and to report on the progress Departmental management is making to correct deficiencies cited in OIG audit report recommendations.

While the OIG conducts and issues audit reports, the Departmental Audit Follow-Up Official, who has delegated day-to-day responsibility for the Audit Follow-Up Program to the PFM, resolves impasses between the OIG and management, and tracks, monitors, and reports on the audits that have been referred to it by the OIG. The smooth transition from audits under the purview of the OIG to audits that have been referred by the OIG to PFM, enables the Departmental Audit/Audit Follow-Up Programs to operate efficiently and effectively. The additional components of audit liaison officers and management, working together to identify, respond to, resolve, track, and close audit recommendations and reports ensures that all levels of the Department are working cooperatively to make the entire Audit/Audit Follow-Up Programs work for maximum efficiency and also allows the Department to meet its GPRA goals.